

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



July 21, 1997

ALL COUNTY LETTER NO. 97-41

TO: ALL COUNTY WELFARE DIRECTORS

REASON FOR TRANSMITTAL

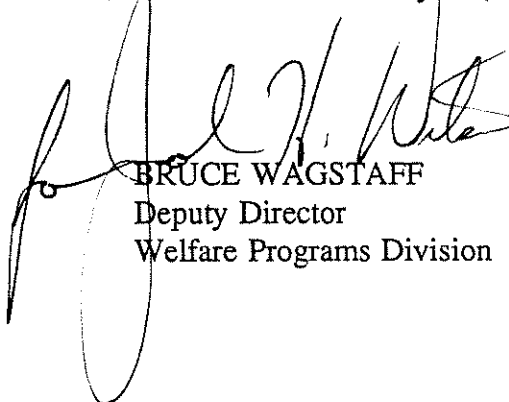
- ☐ State Law Change
- ☒ Federal Law Change
- ☒ Court Order or Settlement Agreement
- ☐ Clarification Requested by One or More Counties
- ☐ Initiated by CDSS

SUBJECT: FOOD STAMP PROGRAM IMPLEMENTATION OF PHASE II
REGULATIONS OF THE PERSONAL RESPONSIBILITY AND
WORK OPPORTUNITY RECONCILIATION ACT OF 1996

REFERENCE: MANUAL SECTIONS (M.S.) 63-402.229; 63-407.5; 63-408.2 and .6;
63-501.522(a) and (b), 63-501.524(a); 63-502.35, .36 and .37;
63-503.311 and .312, 63-503.441; 63-504.121, .122, .132, .133,
and .141; 63-801.431(d) and (e), .441(a), .442, .512, .722(a)(2), .723,
.731, .732, .733, and .823; 63-1101.24 and .27

This letter provides County Welfare Departments (CWDs) with information regarding emergency regulations expected to become effective on September 1, 1997. These regulations implement the second phase of the provisions contained in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). The attachment to this letter describes the major provisions of these regulations. Also attached are the proposed regulations. Related form revisions will be transmitted in the near future with a separate letter.

If you have any questions regarding the implementation guidelines, please contact the Food Stamp Program Bureau, Policy Implementation Unit at (916) 654-1896. For questions regarding Work Registration requirements, contact Karen Kennedy at (916) 657-3400.



BRUCE WAGSTAFF
Deputy Director
Welfare Programs Division

Attachments

Description of Major Provisions

Household Concept (M.S. 63-402.229)

This section is being adopted to add those individuals convicted of felony drug possession, use, or distribution to the category of excluded household members as stated in M.S. 63-402.22. The exclusion from the Food Stamp Program is permanent and pertains to convictions occurring after August 22, 1996.

For implementation purposes, this provision is effective September 1, 1997 for all Food Stamp household applicants and for continuing cases, at recertification, when the case is next reviewed, or when the CWD becomes aware that a review is needed.

The applicant will self-identify through a question on the application form and sign under penalty of perjury. However, if the CWD becomes aware from another source that the applicant/recipient has been convicted for such offense, the CWD must act on the information as stated in M.S. 63-300.53.

Work Exemption Requirements (M.S. 63-407.5; 63-408.2 and .6)

These sections are being amended to provide that a sanction shall end when an individual under sanction qualifies for specific work registration exemptions. Sanction notification requirements are being amended so that non-compliant work registrants are informed of this change. These changes are effective upon the regulations being filed with the office of Secretary of State.

Resource Determinations (M.S. 63-501.522(a), (b), and .524(a))

These sections are being amended to change the fair market value exclusion limit for vehicles to \$4,650 effective October 1, 1996 and eliminate future incremental adjustments. CWDs were notified of the new vehicle limit by All County Letter (ACL) 96-56 dated October 3, 1996.

Income, Exclusions and Deductions (M.S. 63-502.35, .36 and .37; 63-503.311 and .312)

These sections are being amended to change the process used for allowing the homeless shelter deduction when computing a Food Stamp budget. Current regulations allow the deduction as an allowable shelter cost. It will now be a direct deduction from income. Also, a wording change has been made from "homeless standard shelter allowance" to "homeless shelter deduction". Manual Sections 63-503.311 and .312 have been revised to include the homeless shelter deduction in the budget calculation process.

CWDs were instructed to begin implementing this state option with the March 1997 budget month by ACL 97-13 dated March 11, 1997 and All County Information Notice (ACIN) I-29-97 dated May 14, 1997.

Determining Household Eligibility and Benefit Levels (M.S. 63-503.441 and .444(a))

These sections have been amended to include those individuals convicted of felony drug possession, use, or distribution as excluded household members.

Household Certification and Continuing Eligibility (M.S. 63-504.121, .122, .132, .133 and .141)

Note: All of the changes in this section are effective September 1, 1997.

M.S. 63-504.121 is being amended to establish that the certification period for Public Assistance (PA) households cannot exceed 12 months in duration. Current regulations allow for a maximum 14 month certification period for PA households.

M.S. 63-504.122 and .141 are being amended to remove the minimum six month certification period for nonassistance households.

M.S. 63-504.132 is being amended to reflect that PA households must be assigned certification periods in accordance with M.S. 63-504.121.

M.S. 63-504.133 is being amended to establish that households consisting of adult members who are elderly or disabled may be certified for up to 24 months.

Households currently certified for longer than 12 months must be certified for no longer than 12 months at their next recertification. These households' existing certification periods need not be shortened as a result of this change.

Claims Against Households (M.S. 63-801.431(d) and (e), .441(a), .442, .512, .722(a)(2), .723, .731, .732, .733 and .823)

Existing overissuance collection provisions are replaced with regulations requiring states to collect any overissuances by reducing future months benefits, withholding unemployment compensation, recovering from federal pay or income tax refunds, or any means, unless the state demonstrates that all of the means are not cost effective.

Current regulations already allow the above means of collection for cases involving Intentional Program Violations (IPV) and Inadvertent Household Errors (IHE). These changes will also allow such means of collection for cases involving Administrative Errors (AE) overissuances. Previously, CWDs had been instructed (See ACL 96-51 dated September 18, 1996) to discontinue use of involuntary means to collect AE overissuances because of the status of the Aktar v. Anderson court case. CWDs were further notified (See ACIN I-22-97 dated April 4, 1997) that on January 22, 1997 the Court of Appeal of the State of California issued a decision which lifts the ban on the collection of Food Stamp overissuances by involuntary means for all overissuance which occurred on or after the date of enactment of the PRWORA, August 22, 1996. CWDs were also instructed that for ease of administrative operations, October 1, 1996 would be the date to implement the court decision.

M.S. 63-801.431(d), .441(a), .722(a) (2), .723, .731, .733 and .823 are being amended to delete specific references to IHEs and IPV's because there is no longer a distinction in the type of claim when initiating a collection action.

M.S. 63-801.431(e), .442 and .732 have been deleted because there is no longer a distinction in the type of claim when initiating a collection action.

M.S. 63-801.512 has been amended to clarify that suspending collection action on IHEs and AEs claims are now treated the same.

Tables of Coupon Issuance (M.S. 63-1101.24)

This section is being amended to establish the maximum excess shelter deduction amount at \$250 effective January 1, 1997. CWDs were notified of this change by ACL 96-56 dated October 3, 1996.

The maximum excess shelter deduction is also increased to \$275 effective October 1, 1998, \$300 effective October 1, 2000 and capped at the last amount permanently.

Tables of Coupon Issuance (M.S. 63-1101.27)

This section is being amended to increase the homeless shelter deduction from \$132 to \$143. Counties were informed of this increase by ACL 95-64 dated November 3, 1995 and of the unchanged status of the deduction amount by ACL 96-56 dated October 3, 1996.

Adopt Section 63-1435 to read:

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63-1435 IMPLEMENTATION OF PERSONAL RESPONSIBILITY AND
WORK OPPORTUNITY RECONCILIATION ACT (PRWORA)
OF 1996 - PHASE II

63-1435

- .1 Effective October 1, 1996, CWDs shall implement the provisions in Sections 63-501.522(a) and (b), and .524(a); and Section 63-1101.27 for all new applicants and all continuing cases.
- .2 Effective January 1, 1997, CWDs shall implement the provision in Section 63-1101.24 for all new applicants and all continuing cases.
- .3 Effective March 1, 1997, CWDs shall implement the provisions in Sections 63-502.35, .36, .37; and Sections 63-503.311 and .312 for all new applicants and continuing cases.
- .4 Effective upon filing with the Secretary of State, CWDs shall implement the provisions in Section 63-402.229; Sections 63-407.52, .53, .542, and .611(a); Sections 63-408.212(a), .23, .612 and .612(a); Section 63-503.441; and Sections 63-504.121, .122, .132, .133, and .141 for all new applicants or for continuing cases at next recertification or when the case is next reviewed.
- .5 Effective upon filing with the Secretary of State, CWDs shall implement the provisions in Sections 63-801.431(d) and (e), .441(a), .442, .512, .722(a)(2), .723, .731, .732, .733, and .823 for all new and existing administrative error (AE) claims. CWDs shall implement these provisions effective back to October 1, 1996 for only that portion of the claim that occurred on or after October 1, 1996 based on Aktar v. Anderson.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; and 7 U.S.C. 2015(d)(1), P.L. 104-193, Sections 803, 815, and 821 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996).

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Amend Section 63-402.2 to read:

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63-402 HOUSEHOLD CONCEPT (Continued)

63-402

.2 Nonhousehold and Excluded Household Members (Continued)

.22 Excluded Household Members (Continued)

.229 Drug Felony Conviction

Individuals convicted (under federal or state law) of any offense which is classified as a felony by the law of the jurisdiction involved and which has as an element, the possession, use, or distribution of a controlled substance. A controlled substance does not include distilled spirits, wine, malt beverages, or tobacco. This is a permanent exclusion and shall only affect convictions occurring after August 22, 1996. (Continued)

Authority Cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; 7 CFR 273.1(a)(1) through (a)(2)(ii) through (b)(2)(iii), (c), (c)(1), (c)(6), 7 CFR 273.1(d)(1) and (2), (e)(1), and (g); 7 CFR 273.2(j)(4); 7 CFR 273.9(b)(2)(ii); 7 CFR 273.10(c)(1)(i); 7 CFR 273.11(b)(1); 7 CFR 274.5 and 7 CFR 274.10; Public Law (P.L.) 100-77, Section 802; P.L. 103-66; USDA Food and Consumer Services, Administrative Notice 94-39; USDA Administrative Notice 89/65/Policy Memo 89-11 and 89-12; and 7 U.S.C. 2015(d)(1), P.L. 104-193, Sections 803, 815, and 821 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996).

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Amend Sections 63-407.5 and .6 to read:

63-407 WORK REGISTRATION REQUIREMENTS (Continued)

63-407

.5 Failure to Comply (Continued)

- .52 Within 10 days of determining that noncompliance with any of the Food Stamp work requirements at Section 63-407.4 was without good cause, as specified in Section 63-407.51, the CWD shall issue a notice of action informing the registrant of the disqualification. In addition to the requirements specified in Section 63-504.21, the notice shall contain a description of the act of noncompliance, identify the minimum length of the food stamp sanction and shall specify that the individual may reapply at the end of the disqualification period if, at any time, the individual becomes exempt in accordance with Section 63-407.611, the sanction shall end and the individual may reapply for food stamps. Information shall also be included describing the action which can be taken to end the sanction, in accordance with Section 63-407.612 when the minimum sanction period identified in Section 63-407.53 is completed. (Continued)
- .53 For purposes of determining the appropriate sanction to apply, the CWD shall count any previous sanctions imposed on the registrant for failing to comply with the requirements of Sections 63-407.4 and .55, and Section 63-408. If the registrant qualifies for one of the exemptions listed at Section 63-407.611, during the minimum sanction period identified in Sections 63-407.531, .532 or .533, the sanction shall end and the registrant may reapply and be approved for food stamps if otherwise eligible.
- .531 The first food stamp sanction shall continue for one month or until eligibility is established compliance is achieved, whichever is longer.
- .532 The second food stamp sanction shall continue for three months or until eligibility is established compliance is achieved, whichever is longer.
- .533 The third or subsequent food stamp sanction shall continue for six months or until eligibility is established compliance is achieved, whichever is longer. (Continued)
- .542 An individual shall not be disqualified if, prior to the effective date of the sanction identified in Section 63-407.53, that individual becomes exempt in accordance with Sections 63-407.21(a), (b), (d), (f), (g), or (h). An individual who receives Food Stamp sanctions in accordance with Section 63-407.54 and subsequently qualifies for any of the exemptions listed in this section may reestablish eligibility following completion of the minimum sanction period identified in Section 63-407.531, .532, or .533. When, for reasons including exemption, a sanction is not imposed, it will not be counted as an instance of noncompliance. (Continued)

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.6 Ending Disqualification

.61 If an individual is otherwise eligible following completion of the minimum sanction period identified in Section 63-407.53, eligibility may be reestablished if the individual:

.611 Becomes exempt in accordance with Sections 63- 407.21(a), (b), (d), (f), (g) or (h).

(a) This provision applies at any time during the period of disqualification. (Continued)

Authority cited: Sections 10553, 10554 and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; 7 CFR 273.1(d)(2); 7 CFR 273.7(d)(1)(ii)(A) and (E); 7 CFR 273.7(f), (f)(1)(vi), (f)(2), and (f)(4)(ii); 7 CFR 273.7(h); 7 U.S.C. 2014(e), 7 U.S.C. 2015(d)(1), (d)(2), (d)(4)(i)(II), and (o); U.S.D.A. Food and Nutrition Service Administrative Notice 94-39; Public Law 104-193, Sections 815, 817, 819 and 824 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996); and U.S.D.A. Food and Consumer Service Administrative Notices 97-22 and 97-65.

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Amend Sections 63-408.2 and .6 to read:

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63-408 VOLUNTARY QUIT (Continued)

63-408

.21 (Continued)

.212 Specify that the sanction period shall begin the first of the month following the month the registrant is provided a timely notice of action and shall continue for the period identified in Section 63-407.53.

(a) The notice shall inform the registrant that if, at any time, he/she becomes exempt in accordance with Section 63-408.612, the sanction shall end and he/she may reapply for food stamps.
(Continued)

.23 If the quit occurred or is determined during the last month of a certification period, the noncompliant registrant shall be denied eligibility for the period specified in Section 63-407.53, unless he/she becomes exempt in accordance with Section 63-408.612. (Continued)

.6 Ending a Voluntary Quit Disqualification

.61 Following the end of the minimum disqualification period identified in Section 63-407.531, .532, or .533, a registrant may begin participating in the Program after reapplying and being determined eligible if the individual: (Continued)

.612 ~~Becomes exempt from the work registration requirements~~ Qualifies for one of the work registration exemptions listed at Section 63-407.21, other than the exemptions specified in Section 63-407.21c, e, or g.

(a) This provision applies at any time during the period of disqualification. (Continued)

Authority cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; California Code of Regulations, Title 22, Division 12, Chapter 1 commencing with Section 101151, Chapter 2 commencing with Section 101251, and Chapter 3 commencing with Section 102351.1; 7 U.S.C. 2015(d)(1) and (o), Public Law 104-193, Sections 815 and 824 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996); and U.S.D.A. Food and Consumer Service Administrative Notices 97-22 and 97-65.

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Amend Section 63-501.52 to read:

63-501 RESOURCE DETERMINATIONS (Continued)

63-501

.5 Resource Values (Continued)

.52 Handling of Licensed Vehicles (Continued)

.522 (Continued)

- (a) The vehicle exclusion limit for vehicles shall be: \$4,650 from October 1, 1996 forward.
- (1) ~~\$4,500 through August 31, 1994;~~
 - (2) ~~\$4,550 from September 1, 1994 through September 30, 1995;~~
 - (3) ~~\$4,600 from October 1, 1995 through September 30, 1996;~~
and
 - (4) ~~\$5,000 from October 1, 1996 through September 30, 1997.~~

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- (b) For example, ~~through August 31, 1994,~~ a household owning an automobile with a fair market value of \$5,500 shall have ~~\$4,500~~ \$4,650 excluded and ~~\$1,000~~ \$850 applied to its resource level.

HANDBOOK ENDS HERE

.523 (Continued)

- .524 In the event a licensed vehicle is assigned both a fair market value in excess of the vehicle exclusion limit as specified in Section 63-501.522(a) and an equity value, only the greater of the two amounts shall be counted as a resource.

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- (a) For example, a second car which is not used by a household member to go to work will be evaluated for both fair market value and for equity value. Based on a vehicle exclusion limit of ~~\$4,500~~ \$4,650, if the fair market value is \$5,000 and the equity value is \$1,000 the household shall be credited with only the \$1,000 equity value, and the ~~\$500~~ \$350 excess fair market value will not be counted.

.525 (Continued)

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.526 (Continued)

Authority Cited: Sections 10553, 10554, 11209, and 18904, Welfare and Institutions Code.

Reference: Sections 10554, 18901, and 18904, Welfare and Institutions Code; 7 Code of Federal Regulations (CFR) 272.8(e)(17); 7 CFR 273.2(j)(4); and 7 CFR 273.8(e)(11) and (18); 7 CFR 273.8(h); Public Law (P.L.) 100-50, Sections 22(e)(4) and 14(27), enacted June 3, 1987; P.L. 101-201; P.L. 101-426, Section 6(h)(2), as specified in United States Department of Agriculture (U.S.D.A.), Food and Nutrition Service (FNS), Administrative Notice (AN) 91-37; P.L. 101-508, Section 11111(b); P.L. 101-624, Section 1715; P.L. 102-237, Section 905, as specified in Federal Administrative Notice 92-12, dated January 9, 1992; Section 2466d., Title 20, United States Code (U.S.C.); 7 U.S.C. 2014(d); 26 U.S.C. 32(j)(5); 42 U.S.C.A. 5122 as amended by P.L. 100-707, Section 105(i); U.S.D.A., FNS, ANs 91-30 and 94-39; Index Policy Memo 90-22, dated July 12, 1990; U.S.D.A., FNS, AN 94-58, dated July 5, 1994; and P.L. 104-193, Section 827 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996).

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63-502 INCOME, EXCLUSIONS AND DEDUCTIONS (Continued)

63-502

.3 Income Deductions (Continued)

.35 Homeless Shelter Deduction

~~.352(a)~~

.351 The homeless ~~standard~~ shelter ~~allowance~~ deduction is available to homeless households who are not receiving free shelter for the entire month, fiscal or calendar, depending on the county's issuance cycle. If the homeless ~~standard~~ shelter ~~allowance~~ deduction is used, separate utility costs may not be claimed since this allowance includes a utility cost component.

~~.352(a)(1)~~

.352 All homeless households which incur, or reasonably expect to incur, shelter costs during a month shall be eligible to use the homeless ~~standard~~ shelter ~~allowance~~ deduction without providing verification of the shelter costs. Higher shelter costs may be used if verification is provided.

~~.352(a)(2)~~

.353 Homeless households which do not incur shelter costs during the month shall not be eligible for the homeless ~~standard~~ shelter ~~allowance~~ deduction.

.356 Excess Shelter Deduction (Continued)

.3561 (Continued)

.3562 Shelter costs shall include only the following:

(a) If actual verified homeless shelter costs are higher than the homeless shelter deduction, the actual cost may be used as a housing cost instead of a homeless shelter deduction and utility costs may not be claimed.

(b) through (f) (Continued)

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.3563 Standard Utility Allowance (SUA)

(a) Entitlement to SUA

(1) (Continued)

- (A) Households who are using the homeless ~~standard shelter allowance~~ deduction shall not be entitled to the SUA because a utility component is included in the homeless ~~standard shelter allowance~~ deduction.
(Continued)

.367 Shared Living Expenses (Continued)

.3671 Treatment of Separate Households (Continued)

(a) through (c) (Continued)

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(d) UTILITY ALLOWANCE DECISION CHART

IF THE HOUSEHOLD (HH)...

THEN...

(1) through (7) (Continued)

HOMELESS HOUSEHOLDS

- (8) Receives Homeless ~~Standard Shelter Allowance~~ Deduction

Not entitled to SUA.

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.3672 Food Stamp Households with Excluded Members (Continued)

(a) through (c)(2) (Continued)

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.3673 (Continued)

(a) through (d) (Continued)

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.3674 To prorate within the food stamp household, the CWD shall:

(a) through (c) (Continued)

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.3675 EXAMPLES (Continued)

I through VI (Continued)

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.378 Child Support Deduction (Continued)

.3781 (Continued)

.3782 (Continued)

.3783 (Continued)

.3784 (Continued)

.3785 (Continued)

.3786 (Continued)

Authority Cited: Sections 10553, 10554, 11209, 18900, 18901 and 18904 Welfare and Institutions Code.

Reference: Sections 10554, 18901, and 18904, Welfare and Institutions Code; Public Law (P.L.) 99-603, Section 201(a), Section 245A(h)(1)(A)(iii) Immigration Reform and Control Act, P.L. 100-50, Sections 22(e)(4) and 14(27), enacted June 3, 1987; P.L. 100-77; P.L. 101-201; P.L. 101-508, Section 11111(b); P.L. 103-66, Section 5(c), (d) and (e) and Section 8(a); 7 Code of Federal Regulations (CFR) 271.2; 7 CFR 273.1(c)(6); 7 CFR 273.7(f);

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7 CFR 273.9; 7 CFR 273.9(b)(1), (c), and proposed amended (c)(1)(ii) as published in the Federal Register, Vol. 59, No. 167, on August 30, 1994; (c)(1)(ii)(G), (d) and proposed (d)(7) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, 7 CFR 273.10(d)(1)(i); 7 CFR 273.11(b)(1); 7 CFR 273.11(c), (d), (d)(1), and (e); 7 CFR 273.21(j)(1)(vii)(A); 7 United States Code (U.S.C.) 2014(c), (d), (e), (k)(1)(B), and (k)(2)(F); 7 U.S.C. 2015(e); 7 U.S.C. 2017(a); 20 U.S.C. 2466d.; 26 U.S.C. 32(j)(5); P.L. 104-193, Sections 807, 808, 809, 811, and 829 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996); (Court Order re Final Partial Settlement Agreement in Jones v. Yeutter (C.D. Cal Feb. 1, 1990) [Dock. No. CV-89-0768].); United States Department of Agriculture (U.S.D.A.) Food and Consumer Services (FCS) Administrative Notice (AN) 88-40, Indexed Policy Memo 88-10, dated April 20, 1988; U.S.D.A., FNS ANs 91-24, 91-30, 94-39, and 94-41; U.S.D.A.; and the July 8, 1988 district court order in Hamilton v. Lyng.

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Amend Section 63-503.3 and .4 to read:

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63-503 DETERMINING HOUSEHOLD ELIGIBILITY AND
BENEFIT LEVEL (Continued)

63-503

.3 Calculating Net Income and Benefit Levels

.31 Net Monthly Income (Continued)

.311 To determine a household's net monthly income, unless the household contains a member who is elderly or disabled as defined in Section 63-102(e), the CWD shall: (Continued)

(f) Subtract the homeless shelter deduction.

(fg) (Continued)

(gh) (Continued)

(hi) (Continued)

.312 To determine the net monthly income of a household that includes a member who is elderly or disabled as defined in Section 63-102(e) the CWD shall: (Continued)

(fe) Subtract the monthly dependent care up to the current maximum.

(ef) (Continued)

(g) Subtract the homeless shelter deduction.

(gh) (Continued)

(hi) (Continued)

(ij) (Continued)

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.4 Households with Special Circumstances (Continued)

.44 Treatment of Income and Resources of Excluded Members

.441 Household Members Excluded for Conviction of a Drug Felony, IPV Disqualification, or Workfare or Work Requirement Sanction

During the period of time that a household member is ineligible to participate because of conviction of a drug felony, disqualification for IPV, noncompliance with work requirements as specified in Section 63-407.4 or imposition of a sanction while participating as a member of a household disqualified for failure to comply with Workfare requirements, the eligibility and benefit level of any remaining household members shall be determined as follows: (Continued)

Authority Cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; 7 CFR 271.2; 7 CFR 272.3(c)(1)(ii); 7 CFR 273.1(b)(2)(iii), (c)(3)(i), (ii) and (e)(1)(i) as published in the Federal Register, Volume 59, No. 110 on June 9, 1994; 7 CFR 273.2(j)(4); 7 CFR 273.9(b)(1)(ii) and (b)(2)(ii); 7 CFR 273.10(a)(1)(iii)(B); 7 CFR 273.10(c)(2)(iii), (c)(3)(ii), proposed amended 7 CFR 273.10(d) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; (d)(1)(i), (d)(2), (d)(3), (d)(4), and proposed (d)(8) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, and proposed amended 7 CFR 273.10(e)(1)(i)(E-H) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; 7 CFR 273.11(a)(2)(i), (b)(1), (b)(1)(i) and (ii), (c), (c)(1), (c)(2)(iii), (c)(3)(ii), (d)(1), and (e)(1); 7 CFR 273.21(f)(2)(ii), (iii), (iv), and (v), (g)(3), (j)(1)(vii)(B), and (S); (Court Order re Final Partial Settlement Agreement in Jones v. Yeutter (C.D. Cal. Feb. 1, 1990) ____ F. Supp. ____; Waiver Letter WFS-100:FS-10-6-CA, dated October 2, 1990, U.S.D.A., Food and Consumer Services; Administrative Notice No. 89-12, No. 92-23, dated February 20, 1992, No. 94-39, and No. 94-65; P.L. 100-435, Section 351, and P.L. 101-624, Section 1717; [7 U.S.C. 2012, 2014(e), and 2017(c)(2)(B)]; 7 U.S.C. 2015(d)(1); and P.L. 104-193, Sections 815, 827 and 829 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996).

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Amend Section 63-504.1 to read:

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63-504 HOUSEHOLD CERTIFICATION AND CONTINUING ELIGIBILITY 63-504

.1 Certification Periods (Continued)

.12 Additional Requirements for Establishing Certification Periods for Monthly Reporting Households

.121 Public Assistance and Categorically Eligible Households

Households in which all members are contained in a single Public Assistance (PA) grant, and the food stamp applications are processed jointly ~~in accordance with as specified in~~ Section 63-301.6, ~~shall~~ may have their food stamp recertifications, to the extent permitted by regulation, at the same time they are redetermined for PA eligibility.

The CWD shall assign PA food stamp households certification periods that expire no later than the end of the month following the month in which the PA redetermination is scheduled. The certification period shall be established for no longer than ~~14 12 months but no less than six months~~. The CWD shall be permitted to recertify food stamps when the PA redetermination occurs. However, if the PA redetermination ~~is not made by the end of the month for which it was scheduled~~ and the food stamp recertification cannot be jointly processed, the CWD shall send the household a notice of expiration of its food stamp certification period ~~in accordance with as specified in~~ Section 63-504.624 and proceed to recertify the household for food stamps in order not to exceed the 12 months. The certification period may be shortened ~~in accordance with as specified in~~ Section 63-504.14 to keep the time frames on the same schedule.
(Continued)

.122 Nonassistance Households

All nonassistance households (NA) subject to monthly reporting shall be certified for a period not to exceed 12 months, ~~but not less than six months~~.
(Continued)

.13 Additional Requirements for Establishing Certification Periods for Nonmonthly Reporting Households (Continued)

.132 Public assistance households shall be assigned certification periods in accordance with Section 63-504.121, except that the certification period ~~shall not exceed 12 months, but may be less than six months~~ and shall take into consideration the predictability of the household's circumstances.

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Households consisting ~~entirely of unemployable or adult members who are elderly or disabled persons with very stable incomes~~ shall be certified for up to ~~12~~ 24 months ~~provided other household circumstances are expected to remain stable.~~ The CWD shall have at least one contact with these households every 12 months. The contract may be in the form of a telephone interview, or in-office interview or some form of a written report. (Continued)

.14 Shortening the Length of the Certification Period

- .141 The CWD may shorten the certification period of any household when the CWD determines the need to do so based on individual case circumstances which shall include, but not be limited to, those circumstances specified below. ~~However, the CWD shall not shorten the certification period of monthly reporting households if it will result in a certification period of less than six months unless the household agrees to be recertified early.~~ (Continued)

Authority Cited: Sections 10554, 11265.1, and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; 7 CFR 271.2; proposed 7 CFR 273.2(f)(1)(xii) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, (f)(8)(i); (f)(8)(i)(A) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; 7 CFR 273.2(j)(3) and (4); 7 CFR 273.8(b); 7 CFR 273.10(d)(4), (g)(1)(i) and (ii); proposed 7 CFR 273.12(a)(1)(vi) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, and (c); 7 CFR 273.13(a)(2); 7 CFR 273.14(b)(3); 7 CFR 273.21(e)(1), (f)(1)(iii), (f)(1)(iv)(B), proposed (h)(2)(ix) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, (h)(3)(ii), (i), (j), (j)(1)(vi), (j)(1)(vii)(A) and (r), (j)(2)(iii), (j)(3)(ii), (j)(3)(iii)(C), and proposed (j)(3)(iii)(E) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; 7 CFR 274.10; P.L. 100-435, Section 351, P.L. 101-624, and P.L. 103-66; Section 1717, [7 U.S.C. 2014(e)]; 7 U.S.C. 2014(d)(7) and 2017(c)(2)(B); U.S.D.A. Food and Consumer Services, Administrative Notice 94-39; and P.L. 104-193, Sections 807 and 827 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996).

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Amend Sections 63-801.4, .5, .7, and .8 to read:

63-801 CLAIMS AGAINST HOUSEHOLDS (Continued)

63-801

.4 Collecting Claims Against Households and Sponsors of Alien Households (Continued)

.43 Initiating Collection on Claims

.431 CWDs shall initiate collection action by providing the household or the sponsor of an alien household notice of action requesting repayment which provides the following information: (Continued)

(d) ~~For inadvertent household error and intentional Program violation claims, t~~The household, or the sponsor shall be informed of the length of time the household has to decide which method of repayment it will choose and inform the CWD of its decision, and of the fact that the household's allotment will be reduced if the household fails to agree to make restitution.

(e) ~~For administrative error claims, the household shall be informed of the availability of allotment reduction as a method of repayment if the household prefers to use this method. Choice of this option is entirely up to the household and the household shall have its allotment reduced as specified in Section 63-801.737(a).~~

(fe) (Continued)

(1) (Continued)

HANDBOOK BEGINS HERE

(gf) (Continued)

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.432 (Continued)

.44 Action Against Households and Sponsors of Alien Households Who Fail to Respond

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.441 The CWD shall reduce the household's Food Stamp benefits without further notice as specified in Section 63-801.73, when:

(a) Collection action has been initiated against the household or the sponsor for repayment of an ~~inadvertent household error or intentional Program violation~~ claim; and (Continued)

~~.442 If any nonparticipating or participating household against whom collection action has been initiated for repayment of an administrative error claim does not respond to the first notice of action requesting repayment, additional notices shall be sent at reasonable intervals, such as 30 days, until:~~

~~(a) The household or the sponsor has responded by paying or agreeing to pay the claim;~~

~~(b) The criteria for suspending collection action, specified in Section 63-801.5, have been met; or~~

~~(c) The CWD initiates other collection actions.~~

.4432 Other Collection Methods (Continued)

.5 Suspending and Terminating Collection of Claims

.51 Suspending Collection of Inadvertent Household and Administrative Error Claims (Continued)

.512 If collection action was initiated, and at least one demand letter has been sent, the CWD may be permitted to suspend further collection action of an inadvertent household error claim or of an administrative error claim against a nonparticipating household ~~or of an administrative error claim against a participating or nonparticipating household~~ when: (Continued)

.7 Method of Collecting Payments (Continued)

.72 Installments (Continued)

.722 If the household or the sponsor fails to make a payment in accordance with the established repayment schedule (either a lesser amount or no payment), the CWD shall notify the household or the sponsor that no payment or an insufficient payment was received.

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(a) The notice of action requesting repayment shall inform the household or the sponsor that: (Continued)

(2) Unless the overdue payments are made or the CWD is contacted to discuss renegotiation of the payment schedule, the benefits of a currently participating household ~~against which an inadvertent household error or intentional Program violation claim has been~~ with an established claim will be reduced without a further notice and as specified in Section 63-801.73. (Continued)

.723 In cases where the household is currently participating in the Food Stamp Program and a payment schedule is negotiated for repayment of an ~~inadvertent household error or intentional Program violation~~ claim, the CWD shall ensure that the negotiated amount to be repaid each month through installment payments is not less than the amount which could be recovered through allotment reduction. Once negotiated, the amount to be repaid each month through installment payments shall remain unchanged regardless of subsequent changes in the household's monthly allotment. However, the CWD, the household, or the sponsor shall have the option to initiate renegotiation of the payment schedule if they believe that the economic circumstances of the household or the sponsor have changed enough to warrant such action.

.73 Reduction in Food Stamp Allotments

.731 CWDs shall collect repayments for an ~~inadvertent household error claim or an intentional Program violation~~ claim from a household currently participating in the Program by reducing the household's food stamp allotments as provided in Section 63-801.44.

~~.732 CWDs shall collect payments for an administrative error claim from a household currently participating in the Food Stamp Program by reducing the household's food stamp allotments if the household prefers to use this method of repayment. Choice of this option is entirely up to the household and no household shall have its allotment reduced by an amount with which it does not agree for payment of an administrative error claim.~~

.7332 (Continued)

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.7343 If the household requests to make a lump sum cash and/or food stamp coupon payment as full or partial payment of the claim, the CWD shall accept this method of payment. The CWD shall reduce the household's allotment as specified in Section 63-801.737, to recover any amounts of an ~~inadvertent household error or intentional Program violation~~ claim not repaid through a lump sum cash and/or food stamp coupon payment, unless a payment schedule has been negotiated with the household.

.7354 (Continued)

.7365 (Continued)

.7376 (Continued)

.8 Submission of Payments (Continued)

.82 Each CWD shall submit, for each calendar quarter, a FNS-209. (Continued)

.823 In accounting for ~~inadvertent household error and intentional Program violation~~ claims collections, the CWD shall include cash or coupon repayments and the value of allotments recovered or offset by the restoration of lost benefits. The value of benefits not issued as a result of a household member being disqualified, shall not be considered recovered allotments and shall not be used to offset an intentional Program violation claim. (Continued)

Authority Cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; 7 CFR 271.2; 7 CFR 273.18(a), (a)(1)(ii), and (a)(2); 7 CFR 273.18(c)(1)(ii) and (c)(2)(ii) (Federal Register, Vol. 58, No. 209, pp. 58454 and 58455, dated November 1, 1993); 7 CFR 273.18(d)(4)(iii); 7 CFR 273.18(e)(1); 7 CFR 273.18(g)(4)(ii); 7 CFR 273.18(h)(4); 7 CFR 273.18(k)(5); U.S.D.A., Food and Nutrition Service letter WFS-100:FS-10-6-CA, dated October 7, 1991; and P.L. 104-193, Sections 809 and 844 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996).

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Modify Handbook Section 63-1101.2 to read:

63-1101 TABLES OF COUPON ISSUANCE (Continued)

63-1101

.2 Income Deductions (Continued)

- .24 Excess Shelter Deduction. Effective ~~July 1, 1994~~ January 1, 1997 through September 30, ~~1995~~ 1998, the maximum deduction shall be ~~\$231~~ \$250. Effective October 1, ~~1995~~ 1998 through ~~December 31, 1996~~ September 30, 2000 the maximum deduction shall be ~~\$247~~ \$275. Effective October 1, 2000 forward, the maximum deduction shall be \$300. The applicable maximum deduction shall apply for all households except those containing an elderly or disabled member ~~and it shall be adjusted annually~~. Households containing elderly or disabled members are entitled to an excess shelter deduction for the monthly amount that exceeds 50 percent of the household's monthly income after all applicable deductions have been allowed (see Section 63-502.35). Effective ~~January 1, 1997~~ no maximum limit shall be applied to the excess shelter deduction. (Continued)
- .27 Homeless ~~Standard~~ Shelter Allowance Deduction. Effective ~~October 1, 1992~~, The homeless standard shelter allowance shall be \$132, and it shall be adjusted annually on October 1 deduction is \$143. (Continued)

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